

**Remarks**

Claims 1-14 were pending in the application. All the pending claims were either objected to or rejected for the various reasons described in the Office Action and summarized below.

The Examiner objected to claim 12 for the informalities noted in the Office Action. This claim has been amended and it is submitted that the objection is not applicable to the amended claim.

The Examiner rejected under 35 USC 103(a) claims 1-2, 4-11, 13 and 14 as being unpatentable over *Picco et al.* (U.S. Patent No. 6,029,045) in view of *Guyot et al.* (U.S. Patent No. 6,119,098) and claims 3, 4 and 12 as being unpatentable over *Picco et al.* in view of *Guyot et al.* and *Khoo et al.* (U.S. Patent No. 6,434,747). Claims 1, 12, 13 and 14 have been amended and it is respectfully submitted that claims 1-14 are clearly patentable over the cited references for reasons that will be defined below.

Independent claim 1 is directed to subscriber equipment used in a television network system. The subscriber equipment includes a communication interface that receives a selectively distributed queue of targeted advertising and memory that stores the received queue. A processor that is responsive to the queue inserts targeted advertisements in program streams for display to a subscriber. A trigger circuit determines when the queue reaches low-level and the communication interface receives an additional queue of targeted advertising in response to the low-level determination.

It is submitted that none of the cited references, either alone or in combination, disclose or suggest the embodiment of claim 1. For example, none of the cited references, whether taken alone or in combination with one another, disclose or suggest a processor, responsive to the queue, for inserting targeted advertisements in program streams for display to the subscriber (see p. 18, line 28 to p. 19, line 6 of the specification). Furthermore, none of the cited references, whether taken alone or in combination, disclose or suggest a communications interface that receives an additional queue of targeted advertisements in response to a determination of a low-level queue.

Rather, *Picco et al.* discloses a system for inserting local content in programming content that includes receiving local content, storing the local content and inserting the local content into

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program streams for display to a subscriber. As admitted by the Examiner (see p. 3 of the Office Action), *Picco et al.* fails to disclose or suggest subscriber equipment that receives a queue of targeted advertisements. Thus, *Picco et al.* also fails to disclose or suggest a processor, responsive to the queue, for inserting targeted advertisements in program streams. Furthermore, *Picco et al.* fails to disclose or suggest receiving an additional queue when it is determined that the queue has reached a low-level.

*Guyot et al.* discloses a system for distributing advertisements over the Internet. When a subscriber accesses a server, the server acts to download a queue of advertisements to the subscriber equipment. A processor monitors subscriber activity, such as keyboard activity, and uses the information related to the subscriber activity to schedule the display of advertisements from the queue (see col. 5, lines 6-11). A system control monitors the queue to determine if the queue reaches a low-level (see col. 7, lines 12-24) and connects to the server to receive additional advertisements to refill the queue (Fig. 6B, steps S630 to S670). In other words, *Guyot et al.* discloses a processor, responsive to user activity, for displaying advertisements to a subscriber without the need to insert the advertisements into program streams. Thus, *Guyot et al.* fails to disclose or suggest a processor that is responsive to the queue for inserting targeted advertisements into program streams for display to subscriber. Furthermore, *Guyot et al.* fails to disclose or suggest a communication interface that receives an additional queue of targeted advertisements as *Guyot et al.* discloses simply receiving more advertisements to fill the existing queue.

Moreover, even assuming *arguendo* that the Examiner could somehow construe *Guyot et al.* to disclose a processor, responsive to the queue, and a communication interface that receives and additional queue when the queue has reached a low-level (without acknowledging or conceding such), the Examiner's motivation to combine the references is erroneous. The Examiner states (see pp. 4-5 of the Office Action) that providing a queue and trigger circuit is advantageous because it provides "a distributor of a plurality of advertisements enhanced control over the manner in which individual advertisements are displayed" and for continually updating advertisements with new advertisements. The Applicant initially points out that *Guyot et al.* fails to disclose or suggest the advantages stated by the Examiner and that the Examiner used impermissible hindsight in combining the references. Furthermore, it is unclear as to how the

alleged advantages improve the system of *Picco et al.* because the system of *Picco et al.* is capable of controlling content and updating advertisements without modification. Additionally, *Picco et al.* discloses (see col. 12, lines 37-55) that the advertisements stored on the subscriber equipment is adjusted according to a change in subscriber behavior or desire and thus the stated advantage is not desirable in the system of *Picco et al.*

*Khoo et al.* (U.S. Patent No. 6,434,747) discloses a system for providing customized media content to a subscriber that includes advertisements that are sequenced in a predetermined order (see col. 7, lines 17-36) and the subscriber may customize the media list to remove content or rearrange the list (see col. 11, lines 4-12). *Khoo et al.* fails to alleviate the deficiencies of *Picco et al.* and *Guyot et al.* in that *Khoo et al.* fails to disclose or suggest a processor, responsive to the queue, for inserting targeted advertisements and a communications interface that receives an additional queue when the queue has reach a low-level. In *Khoo et al.*, the customized media is displayed in order in which they are received or arranged by the customer and is not responsive to a queue.

Moreover, even assuming arguendo that the Examiner could somehow construe *Khoo et al.* to disclose a processor, responsive to the queue, and a communication interface that receives and additional queue when the queue has reached a low-level (without acknowledging or conceding such), the Examiner's motivation to combine the references is erroneous. The Examiner states (see p. 11 of the Office Action) that the motivation to utilize the teachings of *Khoo et al.* is "for the benefit of defining an arrangement in which each of a group of advertisements are to be displayed". The Applicant initially points out that this motivation is not provided or supported by the teachings of *Khoo et al.* which clearly discloses that it is desirable to enable the subscriber to control the order in which customized media is displayed. Furthermore, in both *Picco et al.* and *Guyot et al.*, the content provider is enabled to define the arrangement in which the group of advertisements is displayed. Thus there is no need to use the teachings of *Khoo et al.* in either *Picco et al.* or *Guyot et al.*

For at least the reasons addressed above, it is submitted that independent claim 1 is clearly patentable over the cited references. Claims 2-11 depend from independent claim 1. It is

submitted that claims 2-11 are clearly patentable over the cited references for the reasons addressed above with respect to claim 1 and for the further features recited therein.

Independent claim 12 is directed to a television network system. The system includes an advertisement management system for identifying targeted advertisements for a subscriber and generating a queue of targeted advertisements for presenting to the subscriber. An advertisement distribution system distributes the targeted and the queue to a subscriber. The subscriber equipment includes a communication interface that receives a selectively distributed queue of targeted advertising and memory that stores the received queue. A processor that is responsive to the queue inserts targeted advertisements in program streams for display to a subscriber. A trigger circuit determines when the queue reaches a low-level and the communication interface receives an additional queue of targeted advertising in response to the low-level determination.

As discussed above with respect to claim 1, it is submitted that none of the cited references, either alone or in combination, disclose or suggest the embodiment of claim 12. For example, none of the cited references, whether taken alone or in combination with one another, disclose or suggest a processor, responsive to the queue, for inserting targeted advertisements in program streams for display to the subscriber. Furthermore, none of the cited references, whether taken alone or in combination, disclose or suggest a communications interface that receives an additional queue in response to a determination of a low-level queue.

For at least the reasons addressed above, it is submitted that independent claim 12 is clearly patentable over the cited references.

Independent claim 13 is directed to a set-top box for inserting advertisements into program streams. The set-top box includes a communication interface for receiving targeted advertisements and queue identifying criteria for inserting targeted advertisements into program streams. A memory stores the targeted advertisements and the queue and a processor determines when and what advertisement should be inserted into the program stream based on the queue. An inserter inserts the targeted advertisement into the program stream and a trigger circuit determines when the targeted advertisements and the queue need to be refreshed.

It is submitted that none of the cited references, either alone or in combination, disclose or suggest the embodiment of claim 13. For example, none of the cited references, whether taken

alone or in combination with one another, disclose or suggest a processor for determining when and what targeted advertisement should be inserted into the program stream based on the queue (see p. 18, line 28 to p. 19, line 6 of the specification).

Rather, *Picco et al.* discloses a system for inserting local content in programming content that includes receiving local content, storing the local content and inserting the local content into program streams for display to a subscriber. As admitted by the Examiner (see p. 13 of the Office Action), *Picco et al.* fails to disclose or suggest subscriber equipment that receives a queue of targeted advertisements. Thus, *Picco et al.* also fails to disclose or suggest a processor for determining when and what targeted advertisement should be inserted into the program stream based on the queue. Furthermore, *Picco et al.* fails to disclose or suggest a trigger circuit for determining when the targeted advertisements and the queue need to be refreshed.

*Guyot et al.* discloses a system for distributing advertisements over the Internet. When a subscriber accesses a server, the server acts to download a queue of advertisements to the subscriber equipment. A processor monitors subscriber activity, such as keyboard activity, and uses the information related to the subscriber activity to schedule the display of advertisements from the queue (see col. 5, lines 6-11). A system control monitors the queue to determine if the queue reaches a low-level (see col. 7, lines 12-24) and connects to the server to receive additional advertisements to refill the queue (Fig. 6B, steps S630 to S670). In other words, *Guyot et al.* discloses a processor, responsive to user activity, for displaying advertisement to a subscriber without the need to insert the advertisements into program streams. Thus, *Guyot et al.* fails to disclose or suggest a processor for determining when and what targeted advertisement should be inserted into the program stream based on the queue. Furthermore, *Guyot et al.* fails to disclose or suggest a queue identifying criteria for inserting targeted advertising in program streams.

Moreover, even assuming arguendo that the Examiner could somehow construe *Guyot et al.* to disclose a processor, responsive to the queue, and a queue identifying criteria for inserting targeted advertisement (without acknowledging or conceding such), the Examiner's motivation to combine the references is erroneous. The Examiner states (see p. 14 of the Office Action) that providing a queue and trigger circuit is advantageous because it provides "a distributor of a plurality of advertisements enhanced control over the manner in which individual advertisements

are displayed" and for continually updating advertisements with new advertisements. The Applicant initially points out that *Guyot et al.* fails to disclose or suggest the advantages stated by the Examiner and that the Examiner used impermissible hindsight in combining the references. Furthermore, it is unclear as to how the alleged advantages improve the system of *Picco et al.* because the system of *Picco et al.* is capable of controlling content and updating advertisements without modification. Additionally, *Picco et al.* discloses (see col. 12, lines 37-55) that the advertisements stored on the subscriber equipment is adjusted according to a change in subscriber behavior or desire and thus the stated advantage is not desirable in the system of *Picco et al.*

*Khoo et al.* (U.S. Patent No. 6,434,747) discloses a system for providing customized media content to a subscriber that includes advertisements that are sequenced in a predetermined order (see col. 7, lines 17-36) and the subscriber may customize the media list to remove content or rearrange the list (see col. 11, lines 4-12). *Khoo et al.* fails to alleviate the deficiencies of *Picco et al.* and *Guyot et al.* in that *Khoo et al.* fails to disclose or suggest a queue identifying criteria for inserting targeted advertisements in program streams and a processor for determining when and what targeted advertisements should be inserted into the program stream based on the queue. In *Khoo et al.*, the customized media is displayed in order in which they are received or arranged by the customer and is not responsive to a queue, nor does the queue contain any criteria for inserting the targeted advertisements in program streams.

Moreover, even assuming arguendo that the Examiner could somehow construe *Khoo et al.* to disclose a queue identifying criteria for advertisement insertion and a processor responsive to the queue (without acknowledging or conceding such), the Examiner's motivation to combine the references is erroneous. The Examiner states (see p. 16 of the Office Action) that the motivation to utilize the teachings of *Khoo et al.* is "for the benefit of defining an arrangement in which each of a group of advertisements are to be displayed". The Applicant initially points out that this motivation is not provided or supported by the teachings of *Khoo et al.* which clearly discloses that it is desirable to enable the subscriber to control the order in which customized media is displayed. Furthermore, in both *Picco et al.* and *Guyot et al.*, the content provider is enabled to define the arrangement in which the group of advertisements is displayed. Thus there is no need to use the teachings of *Khoo et al.* in either *Picco et al.* or *Guyot et al.*

For at least the reasons addressed above, it is submitted that independent claim 13 is clearly patentable over the cited references.

Independent claim 14 is directed to a method for inserting targeted advertisements within television program streams. The method includes receiving a plurality of targeted advertisements and a queue identifying criteria for inserting the targeted advertisements into a program stream. The targeted advertisements and queue are stored in a memory and the targeted advertisements are inserted into the program stream after it is determined when and what targeted advertisement should be inserted into the program stream based on the queue

As discussed above with respect to claim 13, it is submitted that none of the cited references, either alone or in combination, disclose or suggest the embodiment of claim 14. For example, none of the cited references, whether taken alone or in combination with one another, disclose or suggest receiving a queue identifying criteria for inserting targeted advertisements into a program stream or determining when and what advertisement should be inserted into the program stream based on the queue.


For at least the reasons addressed above, it is submitted that independent claim 14 is clearly patentable over the cited references.

**Conclusion**

For the foregoing reasons, Applicant respectfully submits that claims 1-14 are in condition for allowance. Accordingly, early allowance of claims 1-14 is earnestly solicited.

Should the Examiner believe that an Interview would help expedite prosecution of the application, the Examiner is requested to contact the undersigned attorney to schedule such an Interview.

Respectfully submitted,

  
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